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ENERGY AND WATER DEVELOPMENT
APPROPRIATIONS FOR 2004

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS
FIRST SESSION

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PART 1

DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
(CIVIL WORKS) AND CHIEF OF ENGINEERS

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ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR 2004

Wednesday, March 26, 2003.

U.S. ARMY CORPS OF ENGINEERS

WITNESSES

HON. LES BROWNLEE, UNDER SECRETARY OF THE ARMY AND ACTING ASSISTANT
SECRETARY OF THE ARMY (CIVIL WORKS)

LIEUTENANT GENERAL ROBERT B. FLOWERS, CHIEF OF ENGINEERS

MAJOR GENERAL ROBERT H. GRIFFIN, DIRECTOR OF CIVIL WORKS

ROBERT VINING, CHIEF, CIVIL WORKS PROGRAMS MANAGEMENT DIVISION

Mr. Hobson. Good morning. Welcome. The hearing will come to order.

The purpose of this hearing is to receive testimony on the Army Corps of Engineers civil works budget for fiscal year 2004, and they are all lined up across the front rows, I guess. At the table are Mr. Brownlee, the Under Secretary of the Army and Acting Assistant Secretary of the Army for Civil Works; Lieutenant General Flowers, the 50th Chief of Engineers; Major General Griffin, the Director of Civil Works; and Mr. Vining, Chief of the Civil Works Programs Division.

Welcome, gentlemen.

And welcome to the division chiefs who are all lined up behind you and the other members of your staffs in attendance and to our guests. Thank you all for being here at this time, and I am sure that your thoughts may be elsewhere this morning. It is good to see all of you.

Most of you, even though this is my first hearing on the Corps on this subcommittee, I think I have at least met most all of you through my membership on the Defense Subcommittee and chairing MILCON, so I am familiar with some of the work that the Corps has done.

I guess I should say, unlike a lot of my predecessors, I don't come here as a real Corps advocate. And I think you guys are going to have to convince me of some things as we have talked about before. But I know the Corps has a long, proud history and many enthusiastic supporters, and I am glad to have you show me that it can be a responsible tour with a very great steward of the very great responsibilities with which it has been entrusted.

I spoke this morning at a group and I said, you know, one of the things that I want to do is try to get some things done, try to show this country that we can--and one of the things, complaints that was made to me was how long it takes to get some things done. And--hey, Berwick, when do you get your star? I just saw you. I thought you got it.

Colonel Berwick. Sir, they have selected me. We have to be confirmed first and then wait.

Mr. Hobson. That is a typical slowdown in the military. Made my point. I have known Colonel Berwick for a long time, and I am very pleased to see that he got this promotion. And I know, Mr. Secretary, you were very helpful in that. And we talked about that in Kosovo.

Mr. Brownlee. Yes, we did, sir.

Mr. Hobson. On a tarmac. Well, that probably distracted me from what I was going to say here. But let me go on.

We have got to look at this budget. It is 10 percent below what was appropriated in 2003, and I have been sought out by quite a few people who told me this is one of the more, perhaps worst in a series of budgets, which causes the Corps to fall further behind every year in the work which we give them to do.

And I take seriously the things that people said, because I think they are sober, responsible people, Members and alumni of this House, leaders and innovators in the type of industry without which this country cannot survive, much less prosper.

And I said this morning at a meeting, the ports are very important. We have got to make these ports commercially attractive and competitive, and the rivers and the waterways. If not, this country is in difficulty in its trade and its commerce.

Each year, the Nation and our economy are incurring unnecessary risks to life and property and forgoing billions of dollars of sorely needed economic benefits. At the same time, the administration says that their highest priority is stimulating that same economy.

So, Mr. Brownlee, you can see that I find myself with some spadework to do resolving the concerns of the people who say the Corps is being slowly starved, for no good reason, by budgets such as the one under consideration. To that end, I have some important questions for which this subcommittee requires answers, and I am sure that you and your people will fully and completely answer them.

I am going to--my ranking member is not here this morning, but he will be here. We will give him as much time as he wants when he gets here.

We will accept your written statements for the record. The many members having questions for the record should give them to staff before you leave. And if there is anyone from OMB in the room, I would like you to carry back the message that this year we would like to have the answers approved in time to be of use to us. So if there are any OMB people here, you are going to be hearing from me that it is not appropriate to delay the answers to these questions that you have helped cause for so long that we can't get on with our business.

I am going to divert a little bit this morning from my normal order because Mr. Berry was first, but I think Mr. Edwards has some comments that he would like to make in a very timely fashion. So I am going to--then we will go down the order. But you were second anyway, but if so----

Mr. Edwards. I was here when the gavel went down, but thank you very much, Mr. Chairman, for your courtesy. And this is a little out of order, but I think it is appropriate today, considering the men and women in this room, someone who appreciates very much all of your dedication to your important work for our country.

I want to bring to the attention of the committee, Mr. Chairman, that Mr. Ronald J. Rufenack, who is the chief of public affairs and legislative affairs in the Fort Worth district office is fighting an extremely serious battle against cancer. It is a battle we are not sure he is going to win. But I want to honor him by recognizing his 30 years of service to our country through the Corps and just his example for those in the public who aren't aware of the important work of the Corps, in addition to all the projects we are aware of.

You know, Mr. Rufenack alone was a key player in dealing with the Hurricane Hugo disaster in South Carolina in 1989, was involved in a very important role in the Kuwait recovery after Desert Storm in 1991, and helped deal with the earthquake in

California. To me, he epitomizes the men and women of the Corps, uniformed and civilian, who often, without attention or headlines, work day in and day out, week in and week out, year in and year out for the good of our country. And I just want to ask that the committee keep Mr. Rufenack in our prayers and in our thoughts in the days ahead.

Mr. Hobson. Thank you. And I am sure we all share that. Cancer is a very difficult thing, and I have a person on my staff who has been with me for 20 years who is having the same battle, and it is just devastating. And so our prayers are with him.

Mr. Edwards. Thank you, Mr. Chairman.

Mr. Hobson. Let me say one other thing before we start here maybe. It is my understanding--and because there may be people that ask questions about this, and I have asked this.

I am hoping that we have put to bed this thought about the Corps being split off from the Defense Department. I think in this time of--if we didn't believe it before, certainly in this time of conflict, I think the powers that be realize the tremendous opportunity they have for support from the Corps. And there are people--there are three people I know, for example, that are over there right now. There will be others. And there is certainly Corps support and things that are going on.

And this is not something that is a big pot of money that all of a sudden would be coming to the Army. This is a whole reserve team, I guess I would call it. I don't think they are really frontline, but--I don't mean it in that way, but that you are there. When the demand is there, you can transition and move. So it probably is more cost effective than maybe some of the other things that we do to have this force out there. And we have talked about this before.

So I just want to send a message that I think that it is a cost-effective thing, and hopefully you, both of you, in talking to the powers that be in the Defense Department have gotten at least an understanding, a better understanding over there of what service you provide to this side, but also what you are providing to them.

So I just wanted to say in the beginning, we don't have to get into that a lot, but from my understanding, they have taken this to the highest portions of the Defense Department, and there seems to be a better understanding of your worth at this point. Am I correct in that? Okay.

With that, we will start with Mr. Berry.

I am sorry. You have an opening statement. Sorry.

Mr. Brownlee. Mr. Chairman and distinguished members of the Committee and Subcommittee, first of all, I would like to thank you, sir--and Mr. Visclosky is not here--for the very generous time we had with you yesterday. And I would just like to say to any of the Members who we were not able to arrange meetings with, if you would like to meet with me, I will make myself available at your convenience.

I appreciate very much the opportunity to testify before this distinguished Subcommittee and to present the President's Fiscal Year 2004 budget for the Civil Works program of the Army Corps of Engineers. I am accompanied this morning by Lieutenant General Robert Flowers, Major General Robert Griffin, and Mr.

Robert Vining. And I might take a moment to tell the committee what it already knows so well, and that is that General Flowers is one of the Army's most capable general officers. He provides outstanding leadership for the Corps of Engineers, and it is an honor and a pleasure for me to be here alongside him this morning, along with General Griffin and Mr. Vining.

I might take one second of the Committee's time, sir, just to recognize Ms. Jennifer Watkins. I know she served as an intern to a member of this Committee. When I was appointed to this job a little over a year ago, knowing very little about it, General Flowers consented to send somebody over to help me. I was not very hopeful that this kind of assignment would get the best person, but it truly has. Jennifer has been invaluable, and I would like to recognize her this morning in front of some of her former colleagues here. Jennifer, stand please.

Mr. Hobson. Jennifer just got a suntan.

Mr. Brownlee. Mr. Chairman, I understand that our statements will be included in the record, and I will summarize that statement for the Committee. Also, with your indulgence, I would like to just take a moment or two for a personal thought, sir, because, as I said about a year ago, when I became aware that the President intended to appoint me as the Acting Assistant Secretary for Civil Works in addition to my other duties, I viewed that with some dread because, frankly, I knew less about this part of the Army than I did other parts, and, admittedly, I did not have strong interest there.

But after almost a year in this job, I just want to be sure the Committee understands that it truly has been a pleasure for me. Although dealing with very difficult issues with very strong feelings on all sides of these issues, the great pleasure for me has been to have the opportunity to know and work with the wonderful people in the Corps of Engineers. I have over 40 years of uninterrupted military and Federal service, and I can truthfully say that these are some of the finest people I have ever known. And Mr. Rufenack, I am sure, is typical of those kinds of people, both military and civilian, that I have grown to know and respect and admire in the Corps of Engineers.

The Corps very, very frequently is the agency that has to make the hard decisions on some of these very difficult and complex issues. They have to draw the line somewhere, and many times those who are left out of what they see as the right side of the decision are unhappy. And the Corps picks up a lot of criticism in the media.

But I just would like to report my view, Mr. Chairman, that these are among the most dedicated, good, capable, hard-working Americans that I have ever had the pleasure to know and work with. And the American people can take great pride in what they do both at home and abroad. They serve the Army and the Nation exceedingly well, and I am proud to be associated with them and to have the opportunity to represent them here this morning, along with General Flowers.

With that, Mr. Chairman, I can report that the total Civil Works budget for fiscal year 2004 is \$4.2 billion. This is approximately the same amount as the total Civil Works budget for 2003.

The budget places priority on ongoing studies and projects in the Corps's primary missions of commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. The budget emphasizes completing the ongoing construction projects that have completed the Executive Branch review process, and are economically justified, environmentally acceptable, technically sound, and consistent with cost-sharing policies.

The budget provides efficient funding for the 13 projects that can be physically completed in fiscal year 2004 and for eight other ongoing projects that are high priorities of the Administration, as well as substantial funding for the flood protection projects on the main stem of the Mississippi River. Consistent with the focus on projects that already are under construction, the budget limits funding to plan, design, or initiate new projects. However, the budget does provide funding for 22 ongoing design efforts that are estimated to provide substantial economic and environmental returns and that are nearing completion.

The budget includes a number of studies and management initiatives that are designed to support the administration's priorities, to improve program effectiveness, and to improve the quality and objectivity of project planning and review. The budget includes funding for reconnaissance studies that exemplify the watershed-based approach to solving water problems. In addition, the budget includes \$2 million for an analysis of whether completed Corps projects are delivering benefits as planned. Further, the budget includes \$3 million to institute an independent review of the proposed projects that are likely to be costly, complex, or controversial.

The budget focuses navigation operation and maintenance funding on harbors and waterways with high volumes of commercial traffic. The budget limits operation and maintenance funding for those shallow-draft harbors and inland waterways that have little commercial use, and includes \$1 million to study long-term options for operation and maintenance of those projects.

The budget emphasizes antiterrorist protection of Civil Works projects and facilities, and includes \$104 million to improve the protection of facilities where the consequences of an attack would be great.

The budget for the regulatory program will enable continued improvements in protection of the Nation's wetlands and in the efficiency of permit reviews and decision-making.

The budget provides \$70 million for the Flood Control and Coastal Emergencies account. This amount will enable us to respond to major emergencies and to finance most, if not all, recovery costs in a typical year.

The budget includes legislative proposals to expand the uses of the Inland Waterways Trust Fund and the Harbor Maintenance Trust Fund. The budget also includes a legislative proposal for Federal power marketing administrations to directly finance the specific operation and maintenance costs of Corps of Engineers hydropower facilities.

The Civil Works program is separately accountable to the President for implementing the President's management agenda. We are making progress on improving performance planning,

financial management, human capital planning, competition planning, and e-government.

In summary, I believe the Fiscal Year 2004 Civil Works budget is balanced in accordance with the Nation's current priorities and will make productive contributions to the Nation's economic and environmental well-being.

I look forward to working with this Subcommittee on these important issues, and appreciate very much your continuing support. Thank you, Mr. Chairman.

Mr. Hobson. Thank you.

General Flowers.

General Flowers. Mr. Chairman, distinguished members of the subcommittee, I am again honored to be testifying before you, along with the Under Secretary, on the President's fiscal year 2004 budget for the Army Civil Works program.

Today, thanks to this subcommittee's strong support, the Civil Works program is balanced, responsive, and highly productive. I look forward to your continued partnership in this important program so broadly beneficial to the Nation.

My complete statement covers more details on the fiscal year 2004 program, the backlog, future water challenges, transforming the Corps, our business management system, and the overall value of the Corps to the Nation's economy in the national defense. With your permission, I will summarize some of the major points.

First, a word about the President's budget and the value of the Civil Works program to the Nation's economy and the environment. We will work aggressively to make the most efficient use possible of the fiscal year 2004 President's budget for the Army Corps of Engineers. This budget funds the critical water resources infrastructure that has improved the quality of our citizens' lives and provided a foundation for the economic growth and development of this country. Our projects for navigation, flood protection, ecosystem restoration, hydropower generation, and recreation directly contribute to national economic might. The stream of benefits realized has reduced transportation costs, avoided flood and storm damages, and improvements in environmental value are considerable.

Just a few numbers in which you might be interested:

The navigation program you fund enables 2.4 billion tons of commerce to move on navigable waterways. The U.S. Department of Transportation estimates that these cargo movements have created jobs for 13 million people.

Another fact: Corps flood damage reduction structures have saved taxpayers \$21 billion in damages every year in addition to the lives they have saved.

And another: Private industry contractors carry out almost all of our construction work and over 50 percent of our civil planning and engineering. That is money that goes directly into the economy.

This budget also includes funding to support watershed studies. These studies will allow us to work collaboratively with many stakeholders. With the complexity of water problems today, we believe this is the direction we must take to develop the best, most comprehensive solutions.

Our backlogs. We estimate it will cost more than \$21

billion to complete the construction projects in the construction general program funded in the fiscal year 2004 budget. In the maintenance backlog, we continue to be challenged as well.

Now, you can see from the numbers I just cited on the value of Corps projects that our infrastructure is a critical element in a strong economy. Sustaining this level of service becomes more of a challenge as our infrastructure ages. The funding required at the end of fiscal year 2004 to complete the high-priority maintenance work, in the Operation and Maintenance account, is slightly over \$1 billion. That represents an increase of about \$127 million over last year, and I can assure you that I will continue to do all that I can to make these programs as cost effective as possible.

I would like to talk briefly about future water challenges and a few thoughts about water. Last fall, the American Water Resources Association sponsored a seminar on the need for a more comprehensive water policy in the Nation. Conflicting demands for water are increasing across the country and exist in almost every watershed. Solution to these complex problems will not be easy. Development of such policy will, in turn, require collaboration of many government organizations at all levels. You have my assurance that the Corps stands ready to assist you and the administration in this effort.

On Corps transformation, there are many interested in transforming the Corps inside and outside of the organization. Some may have the larger goal of changes in current water policy in mind; others may want us to operate more efficiently and effectively. We are listening to all of these good ideas, and I have met with individuals, industry groups, and interest groups to hear what they have to say. I have issued communications principles to ensure that all within the Corps are practicing open, effective, and timely two-way communication with the entire community of water resources interests. And let me assure you, I am committed to working with you and all who are interested, and doing all in my power to transform the Corps to meet the Nation's needs.

And a subject dear to my heart, the value of the Civil Works program to the national defense. And, Mr. Chairman, I thank you for your comments. You all can be very proud that the Civil Works program is a valuable asset in support of the National Security Strategy in many ways. For instance, we have a trained engineering work force with world-class expertise capable of responding to a variety of situations across the spectrum of national defense. In fact, skills developed in managing Corps projects transfer to most tactical engineering-related operations.

As an example, to date, 250 civilian members of our Civil Works program team have volunteered for deployment in support of Operation Enduring Freedom, providing engineering, construction, and real estate support. They wear uniforms like those of Active Duty military personnel and, by civilian standards, live under Spartan conditions. Nevertheless, they are inspired by the knowledge that they are participating in an important mission.

And just a quick vignette: Two members of the Corps team in Iraq have even captured enemy prisoners. Lieutenant Colonel

Mike Flynn from the Galveston district and Ron Timmermans from our Southwest Division had one Iraqi soldier surrender to them, asking for food and water, as they were inspecting a gas/oil separator in Iraq. And John Forestland from our Tulsa district had five Iraqis come out and surrender to him and some EOD personnel as they were inspecting another gas/oil separator in the Rumala oil fields.

In summary, the Corps is committed to staying at the leading edge in providing service to the Nation, and I truly appreciate your continued support to this end.

Thank you, Mr. Chairman, and members of the subcommittee. This concludes my statement.

Mr. Hobson. Thank you, General.

Now we will go to Mr. Berry.

Mr. Berry. Thank you, Mr. Chairman.

Mr. Hobson. Before you start, I am going to be asking you guys some questions later on. So if someone wants to think about it, I want to know where you are in this, because I can't find you in here. And so somebody needs to tell me where you are if you are not in it and how you are going to get in it.

This is the emergency supplemental. These are the slides. Go ahead.

Mr. Berry. Thank you, Mr. Chairman. You may remember last week when we had the Department of Interior before the committee, I made a comment that it wasn't that complimentary to the operations of the Department of the Interior in the district that I represent.

But I would say just the opposite about the Corps of Engineers, and I would concur with what Secretary Brownlee has said this morning. I may be the biggest fan in the Congress of the Corps of Engineers, with the possible exception of my distinguished colleague from the boot heel of Missouri, Mrs. Emerson.

But I live with the Arkansas River on one side, the White River on the other side, and the Mississippi River on the third side. And they are all part of the MR&T, and if it were not for the Corps of Engineers, I don't know how many times we would be flooded. But in my lifetime it has never happened, and it happened a lot before that. So I am a big fan of the Corps not only for that, but for a lot of reasons. And I appreciate very much what you do and the way you do it and the very cooperative spirit and relationship that I have always had with you. So I am glad you are here.

I remember last year when this particular meeting took place, I was not on the committee, but you guys may have the feeling that you are sitting on that trapdoor that may be sprung any minute. So I don't want to cause anybody to fall through a crack here, and at the same time I think we all are concerned about the possible litmus test or the direction of this attempt to disband the Corps and what have you. And if you have any comments along those lines, I think we would like to hear them.

And certainly I think we all agree we need to get a Secretary in place. And that is no comment on the job that you are doing, Mr. Brownlee, but I have dealt with acting situations before, and I appreciate the situation you are in.

And so I would be interested in what you have--your

thoughts about that, if you want to express them. And if you are not comfortable doing that, please feel free to just completely ignore what I have said, because I don't want to create any problems for anybody.

And the other thing I would ask about. I am a little bit concerned about the lack of maintenance money for inland shallow water harbors. Thank you.

Mr. Brownlee. Sir, I will comment on the subject that the chairman raised and that you raised about the possible movement of the Civil Works function. I, of course, have heard the same things you have probably heard. But no one has directed me as the Acting Assistant Secretary for Civil Works to do anything in that regard, nor do I have any plans to do anything in that regard.

Mr. Hobson. Do you have any more?

Mr. Berry. Mr. Chairman, I would just invite you to come to the district that I represent to see the wonderful work that the Corps of Engineers does and why we love them so much.

Mr. Hobson. We are trying to get everywhere.

Mr. Edwards.

Mr. Edwards. Secretary Brownlee, General Flowers, General Griffin, thank you for being here. I am going to defer to written questions, specific concerns or questions I have about individual projects.

I would like to go, Secretary Brownlee, back to your comments. You were quoted as saying in your opening remarks, this budget is approximately the same amount as in 2003. Now, I can't find anywhere your testimony as to whether the 2004 budget is an increase, a decrease, or truly the same as the 2003 budget. What I have begun to conclude this year is, when Secretaries come in and say, our budget is approximately what it was the year before, it usually means your budget was cut probably by the same OMB that thinks we ought to cut military education, children's funding, at a time that mom and dad are fighting for our country in Iraq.

So I know these cuts aren't proposals that were initiated by you. Can you tell me, just for a fact, how does this budget request relate to the actual appropriations for the Corps in 2003? More, less, or the same?

Mr. Brownlee. The budget request for fiscal year 2003 was 4.1----

Mr. Edwards. I want to know what was actually appropriated in 2003 versus what you are requesting in 2004.

Mr. Brownlee. I was going to start with the request for 2003, which was \$4.165 billion.

Mr. Edwards. Okay.

Mr. Brownlee. The appropriated amount was \$4.6 billion and the budget in fiscal year 2004, the Administration's budget, is \$4.194 billion.

Mr. Edwards. So when you say ``approximately the same amount,' ' what you are really talking about is 500, about a-- more than a \$400 million cut.

And I know my colleagues often raise a very legitimate question: When is a cut a cut in Washington? It is when you are spending less money this year than you spent last year. So, for the record, then your budget has been cut by \$500 million.

The question: Does that take into account--are those real

dollars or does that not include inflation and salary increases of, I guess, approximately 3 or 4 percent?

Mr. Brownlee. I believe it is in real terms.

Mr. Edwards. So does that assume a 4 percent salary increase, the cost of a 4 percent salary increase?

Mr. Brownlee. Yes, sir, it covers that.

Mr. Edwards. I am seeing one head go this way.

Mr. Brownlee. It has to be absorbed.

Mr. Edwards. It has to be absorbed. That is a good way of saying that that is not taken into account. So if you say that you are not going to be the only Federal agency to not give your employees the pay raise authorized by Congress, then, you know, we could be adding hundreds of millions of dollars. So you could well be a billion dollars below what we actually appropriated last year.

And I know you will do the best you can with those dollars, but I want to get on the record when we have the testimony of ``approximately the same amount,'' we are really talking about, potentially, a billion dollar cut in what is a \$4.6 billion budget. So we are talking about potentially a 20 percent cut in the Army Corps of Engineers' budget at a time when this subcommittee gets thousands of requests from Republicans and Democrats alike for add-ons in addition to the budget. Is that correct?

Mr. Brownlee. Certainly if you take it from the appropriated amount, it is a bigger gap than if you look at what was requested in each year.

And, sir, I can only say that with respect to the nation's current priorities with the global war on terrorism and the war ongoing and the other issues, the priorities and the dollars available, hard decisions are being made, sir.

Mr. Edwards. You are being very statesman-like, Mr. Secretary. And considering what happened to the previous person in your position, I respect your opinion.

Thank you, Mr. Chairman.

Mr. Hobson. Ms. Emerson.

Mrs. Emerson. Thanks, Mr. Chairman.

I want to associate my remarks, at least at the outset, with those of my neighbor, Mr. Berry from Arkansas, including those comments about shallow water harbors. So we are very concerned about that budget item.

Let me direct my first question to you General Flowers, if I might. Tell me what the Corps's plans are for the physical security of its projects, particularly the upper Mississippi locks and dams.

General Flowers. Following 9/11, we immediately did a complete survey of all of our critical infrastructure projects and came up with a priority listing of work that needed to be done to better secure that infrastructure. And we have gone about funding, in priority, those projects in order to better secure them. And this budget contains \$104 billion for that purpose.

Mrs. Emerson. Okay.

Well, then as a follow-up to that to some extent, Secretary Brownlee--thank you--I don't want to put you on the hot seat with this question. But are you really, really serious about your proposal for changes in the Inland Waterway and Harbor

Trust Funds?

Mr. Brownlee. Where those trust funds have accumulated balances over the years, to use them for either the harbors or the inland waterways would appear to be a good use of those balances.

Now, I fully recognize that we are going to have to monitor this very closely. But certainly to use those funds for that purpose--the inland waterways or the harbors, whichever purpose--where there is an accumulated balance would appear to be reasonable.

Mrs. Emerson. Let me ask you something, then. Are those funds that have been segregated aside for purposes of ongoing construction projects, have those been utilized to date for ongoing construction projects?

Mr. Brownlee. To my knowledge, they have.

Mrs. Emerson. Okay. So if in fact--say, for example, if we are putting a big emphasis on--I mean, this is all related to homeland security, in my opinion. If we have got, say, six of eight projects that are ongoing right now, doesn't it seem that it--doesn't it only make sense to use the money from the trust that are collected, the tax dollars that are collected for that to continue those ongoing projects? And if we divert that money to operations and maintenance, aren't we then unable to complete those ongoing projects which you in your testimony said we were trying to focus on?

Mr. Brownlee. And we are, and I am not aware of an inconsistency there. But the intent of this proposal is to use those funds that are contributed, of course, by the users not only for the construction projects, but also for the operation and maintenance of those waterways, as opposed to----

Mrs. Emerson. That have been, traditionally, your responsibility, the Corps's responsibility. Right?

Mr. Brownlee. Yes.

Mrs. Emerson. But if there is a backlog on operations and maintenance--and I will ask General Flowers what the capability is versus what you actually are going to get--I mean, how then are we going to be able to make sure that not only are these projects completed in a timely manner, and hopefully under budget, but also how are we going to protect these inland ports and waterways from any kind of terrorist activity if we are diverting the money elsewhere?

Mr. Brownlee. We have provided additional moneys for protection of critical facilities. We have done that.

I would not tell you that I think we have protected everything adequately. I am sure there are places where we could do more. But in accordance with the priorities as we have seen them, we think we have done that.

Mrs. Emerson. Well, you know, I don't want to take any more time; it is unfair to all my other colleagues.

But, you know, first of all, I disagree with that decision. And perhaps it was OMB's decision, and I am not going to ask you to say one word, because as everyone says, we are afraid you won't be there next week if we do. But let me say that I don't personally feel that we can ask the users to pay yet more and higher taxes to cover the shortfalls that your budget has in this area. So I would hope that you would either revisit the decision or not complain too hard if we revisit it for you.

Thank you, Mr. Chairman.

Mr. Hobson. Thank you. And the projections are that the trust fund would be depleted in 3 years. And I don't know what you are going to do after this, if you would take and use the trust fund.

Mr. Frelinghuysen.

Mr. Frelinghuysen. Thank you, Mr. Chairman.

Mr. Secretary, gentlemen, particularly to those in uniform. And I know all the members pay tribute to you and particularly to your counterparts in Iraq. Regardless of their service, I think a lot of Americans don't know the role that the engineers play in winning wars in incredibly inhospitable, dangerous environments, combat engineers, construction engineering, doing some incredible work. And I think it is--I am glad that you mentioned that you have, I guess on the civilian side, people who have volunteered to assist in that endeavor. That is an incredible tribute to their professionalism, and I think it is worth echoing those sentiments.

In a wartime setting, the notion of Civil Works takes on a whole new meaning, General Flowers. Can you talk a little more about what you are doing in terms of homeland defense on the war on terrorism? We know from the New York and New Jersey area the things that were done, in many cases unheralded things that were done by the Corps in terms of the aftermath. But a lot has been done across the Nation that has not been well advertised--the Army Corps has done relative to the domestic war on terrorism in our homeland defense.

General Flowers. Yes, sir. I would be very happy to do so and thank you for the opportunity.

We have been working very closely with NORTHCOM, the newly created command with the emerging office of Department of Homeland Security. We have developed a methodology for rapid assessment of critical infrastructure, which we are sharing with other agencies and much of the private sector through an organization called the Infrastructure for Security Partnership, which we helped found. It is about 100 organizations now that are working very hard to figure out how to better protect the Nation's built-in environment. We are doing that nationally.

We are also working closely with our partners in the Coast Guard on better security of our ports. We have consulted with many States and local governments on how to better see to their infrastructure. And, I think, going back to what we were talking about earlier, there are three of my general officers who are not here today because they are, in fact, in Iraq serving--General Hawkins from Lakes and Rivers Division, General Creer from Southwest Division, and General Carl Strock, my Director of Military Programs. They are all forward with a number of our people doing preparation for supporting what is happening now and doing preparations for what is to come.

Mr. Hobson. Tell him about the civilian guy who volunteered to go interface with the people.

General Flowers. Oh, yes. One of my senior executive service civilians, Mr. Steve Browning from SPD, volunteered to go over. And he is working with General Garner and his group on preparations and plans for the reconstruction of Iraq.

Mr. Frelinghuysen. We salute those efforts. And Mr.

Secretary----

Mr. Brownlee. I might just add that as most of the members of this Committee know, following the attack of 9/11 on the World Trade Center, the Corps of Engineers played a critical role in that recovery effort. And there was even a threat to the wall that protects flooding from the Hudson River. The Corps of Engineers was asked to go in and make an assessment of that for which, thank God, we had the kind of expertise that allowed them to do that.

Mr. Frelinghuysen. They did a superb job. Certainly, from those of us that represent that neck of the woods, they did a fantastic job.

To General Temple, if I may: The President, to his credit, has recognized the importance of navigation of the New York, New Jersey channels. And I think that indeed is part of a National Security Strategy. And this committee, as you are aware, General, 2 years ago directed that the projects within the harbor be consolidated to meet those types of navigational interests; and that consolidation, I believe and I think most people believe, saved us quite a lot of Federal dollars.

Can you tell us where you stand relative to the implementation plan to consolidate both the New York and New Jersey Harbor, where it stands and the costs involved and the extent to which we are meeting those objectives?

General Temple. Yes, sir. Together with all of our stakeholders in the region on this important project, we developed the consolidation report in August of 2002, and the revised project management plan was published in January of 2003, just a few months ago. And that plan essentially is able to compress the schedule to the extent that we believe we will be able to save at least 2 years, that is, completing sometime in early 2014, and could realize potential savings of at least \$100 million by going forward with this consolidation plan.

The key to this compressed time line, however, is successful execution of the PCA in May of 2004. And all the stakeholders understand that, and we are moving in that regard, sir.

Mr. Frelinghuysen. Good. I appreciate that update. Thank you very much.

Thank you, Mr. Chairman.

Mr. Hobson. Mr. Peterson.

Mr. Peterson. Good morning. I want to welcome you and thank you for the service you provide our country and our communities.

It is my first year on the committee and, of course, many of you are not strangers to me. My district is full of Corps projects; It is a very large, rural district in Pennsylvania. And I want to thank you for coming by and visiting with me recently, too.

An issue that one of my staff, who uses one of your facilities regularly for camping, has a lot of criticism of is the recreational reservation system. Is it still controversial? I mean, he claims that people--and I am going to try to remember what he tells me regularly, that when people register there for a weekend, it is like the reservation system blocks it off for the week even though they are only coming for the weekend. And people call in, and a lot of those sites are empty

for Monday through Thursday, but when they call in they are told there are no openings.

General Flowers. Sir, I will look into any specifics that you can give me. We went to an automated nationwide reservation system some years ago, and I believe it is next year we will be consolidating that with the other recreation providers in the Federal--with Park Service, et cetera--so that we have a combined reservation facility.

And while the first year we had a number of complaints, we do survey the public as we go along, and we have gotten better and better each year. So while I know it is not perfect and there are some things we have to fix, I had not heard that specific complaint before.

Mr. Peterson. That is the one that they just block it out for the week, and so you call in and they are all full, and yet they are half-empty--and very popular; some of them are very popular sites. And so we will get you some details on that.

General Flowers. Yes, sir.

Mr. Peterson. For the record, if you can just share with me--not here, but in writing--what your maintenance plans are on Whiskey Lake and Tioga Hammond Lake. You have some money budgeted for extra maintenance there. And if you could just share that with me, I would certainly appreciate that.

An issue that I don't know as much about, but I have had some phone calls on, claiming there is going to be a reduced level of service on the upper Allegheny. And that would have a negative impact on both tourism and commerce, because that is a pretty busy river with commerce. And I don't have details, but----

General Flowers. Sir, nor do I. I would like to take that one for the record and provide you that information.

Mr. Peterson. Okay.

One more I wanted to mention, and this is futuristic. But Kinzua Dam is a large reservoir to operate, totally surrounded by the Allegheny National Forest, one of the most beautiful waterways, 128 miles of shoreline; but we have very limited recreational use of that because you can't get there. I mean, there are only a couple of sites.

How would we go about doing a study to look at--maybe in conjunction with the Forest Service, to look at how we can expand recreational buildings there? Because it is just a gorgeous place.

General Flowers. Well, I am very familiar with the Kinzua Dam, sir. I was born just a few miles from there. In fact, Kinzua Dam covered up my family's hunting camp.

Mr. Peterson. And your favorite deer crossing.

General Flowers. But I would say that, if directed, we would be very happy to study that.

Mr. Peterson. Yes. Okay, we will talk to the chairman about how we can. But I think you agree with me, it is breathtaking. It is beautiful.

But you go by on a beautiful July day where a bridge crosses part of it, and you are lucky if you see three boats moving, and all of that space, 128 miles of shoreline--there is not a lot. And it could be a great tourist attraction and it could be a great enjoyment to many Americans if we just can open it up somehow.

Thank you. I look forward to working with you.

Mr. Hobson. Mr. Pastor.

Mr. Pastor. Thank you, Mr. Chairman.

Good morning, Mr. Secretary. Welcome. Welcome to the committee. And I am happy to hear that that infamous white paper that was being discussed, I guess last year or a year and a half ago, has been shredded or thrown away. So thank you for that.

And I am really happy that General Flowers this morning reminded us of the valued contributions that the Civil Works program makes to the national economy when he talks about 13 million jobs and 21--what, \$2.4 billion for commerce, and the jobs that go to the private contractors, the engineers. That is millions of dollars that go there, and that produces a lot of jobs. So I am glad you took the time to give us that information. It seems that it is not as well publicized, and many people out there don't know the good stuff you do. And so I just want to thank you for doing that.

Watching TV, especially the Academy Awards, was very discouraging and depressing and boring, and so I found a copy of the President's budget. That is equally as depressing.

After I got to the Corps section, I was really depressed. But there was an item in there that caught my attention, and it deals with a project that is ongoing down in Tucson, Arizona. I no longer represent it, but it is a good project. The benefit-to-cost ratio at the Randolph Park-Rio Chico project down there is about--the benefit is \$1.09 to the \$1 we are investing; and in the budget, they highlighted that this was a marginal return and it was invaluable. And I have to tell you that in Tucson they are delighted that the investment provides a 9 percent return. But there was a reference there that kind of disturbed me, and I will read it.

Under the new policy, which aims to maximize the net benefits of the program and takes into account limitations on investment funds, the second group of detention basins will not be recommended for construction.

Now, I don't know what the new policy is, and that is the question because my understanding is that the existing principles and guidelines are one-to-one ratio, cost-to-benefit. But under this sentence, there is supposed to be a new policy that will be developed, and I just want to know why we are deviating from the currently accepted formula, one-to-one.

Mr. Brownlee. Sir, I would suggest that as it applies to this budget year, about which I mentioned that we have national priorities with respect to a global war on terrorism, homeland security, and a war ongoing in Iraq, and where tough decisions have to be made, certainly those projects that have the highest payback return would be favored over those with lower payback returns.

There is no new policy that I have initiated or that has been initiated by the Corps.

General Flowers. Sir, I am not aware of a new policy.

Mr. Pastor. Okay. So we are still at the one-to-one ratio?

General Flowers. Yes, sir.

Mr. Pastor. Well, let me ask this question then.

As you look at the projects and you see the budget cuts, what do you determine a good investment? Nine percent, is that

enough? Or are we looking for 10 percent or 50 percent? How are we determining this?

General Flowers. Sir, I don't think there is a magic number. I think the principles and guidelines are pretty clear. If you have a benefit-cost ratio that exceeds one, then you have a viable project. And I think what was put forth in the budget was trying to use an example of a project that has the higher benefit-cost ratio probably being funded before one that has a lower benefit-cost ratio. And I think that is what was reflected in that paragraph that you quoted from.

Mr. Pastor. So do you think that 9 percent return is not a good enough return, so that this project--and this project has been going on for about 8 years. And it goes right in the middle of Tucson, and it is to protect flooding, and it is still producing 9 percent. And the recommendation is that the second group of detention basins will not be recommended for construction.

So it kind of--you know, it is a longstanding project. It is still running 9 percent, and yet OMB and the budget is saying we are not recommending it. And so I am just trying to get a better feeling of what would be considered a good investment.

General Flowers. Sir, I think the only thing we have to rely on is what principles and guidelines tell us right now.

Mr. Pastor. One-to-one.

General Flowers. One-to-one, yes, sir.

Mr. Pastor. Okay.

General Flowers. And the project also received our design award.

Mr. Pastor. What was that?

General Flowers. That project also received our design award when it was completed.

Mr. Pastor. Well, I know that. That is why I am puzzled. I had, and another subcommittee had, the opportunity to meet Mitch Daniels. And I saw him--not big in stature, but he is really, he is a normal-sized guy--and I just wonder if some of the decisions they are making down there, whether or not, in fact, they are implementing new policy, without the changes that need to be made for the former basin.

I am just concerned about that.

Mr. Brownlee. Nobody has told us there is a policy, so we are operating that those with the highest paybacks would be looked at first or decisions would have to be made or priorities have to be made.

Mr. Pastor. Mr. Chairman, I was disappointed to hear that when you pulled up that stimulus--the supplemental, you said that--what was it, the Corps of Engineers? I submitted to your staff probably the highest priority project that they have, and I am sorry it didn't get in there, but maybe we can work that out.

Mr. Hobson. Mr. Latham.

Mr. Latham. Thank you, Mr. Chairman, I want to go back to the Inland Waterway Trust, and the chairman brought up a great point. Could you just for the record tell us what the balance is in that trust fund and under this proposal how many years it would take to deplete the balances in the trust fund?

Mr. Brownlee. I don't know the exact dollar amount that is

in the trust fund.

General Griffin. Sir, it is over \$400 million that is in the trust fund.

Mr. Latham. And the proposal would take how much out of that?

Mr. Brownlee. Could we take that for the record?

General Griffin. I have no idea what it is on an annual basis.

[The information follows:]

Inland Waterway Trust Fund

Congressman Latham. Could you just for the record tell us what the balance is in that Trust Fund and under this proposal how many years it would take to deplete the balances in the Trust Fund? And the proposal would take how much out of the Trust Fund?

Mr. Brownlee. At the beginning of the FY 03, the balance in the Inland Waterway Trust Funds stood at \$412.6 million. At the current rate of revenues and earnings, if the proposal were to become law the Trust Fund would become insolvent in FY 2006. The proposal transfers \$146 million annually, plus inflation, from the Trust Funds, to support inland waterway Operation and Maintenance.

Mr. Latham. The chairman thought it would take 3 years to deplete it.

Mr. Brownlee. That is a projection. We would certainly intend to monitor it and look at it over that time period.

Mr. Latham. And the chairman and I would like to ask what do you do after 3 years?

Mr. Brownlee. As I said, we would be monitoring it to see what happened to the level of funding and if in fact we anticipated it was going to be depleted, then we would have to reconsider the policy or something else.

Mr. Latham. Okay. Understanding how important the Mississippi River is for everyone in the Midwest, can you give us an update on the Upper Mississippi Navigation Feasibility Study, where you are with the economic and environmental compliance reports on the needed improvements? I would like to know if you have the resources necessary to complete the study on time and will you complete it, I guess, on time? And what happens if we do not get this done in a timely fashion?

General Flowers. Sir, I would like to take that one if I could. The initial report for the Upper Mississippi study came out last summer, and we are working very hard and I think we have the resources necessary to complete the study on time, hopefully in time for the Water Resources Development Act in 2004.

Mr. Latham. What would be the consequences if in fact the kind of improvements we are talking about were not made?

General Flowers. Sir, I think what we have done with the reinitiation of the Upper Mississippi Navigation Study has gotten into a very collaborative process where we involve all the stakeholders, public, NGOs and everyone, in this, and I think the recommendations that come out of this Upper Mississippi Navigation Study will have a much--or a very broad consensus of what must be done. What you have to remember is many of the projects on the upper Mississippi are at or have

exceeded their life cycle. So we are hoping at the conclusion of this study, if there are recommendations for doing work, that it be done as quickly as possible. And of course the longer you put off the results of a study like this, then the longer you have to wait to initiate any of the recommendations. So we are working very hard to try to finish this in a timely fashion, with this collaborative process keeping everyone involved so that the recommendations that are made reflect a broad input and consensus.

Mr. Latham. Could you just, for the record, I guess maybe give us some examples of the condition of some of the locks and dams there and what the situation is, why it is so necessary? And I just--it is frustrating for me for us to be in a competitive basis in exporting, especially agricultural products. The U.S. Taxpayers have put a tremendous number of dollars in the World Bank and IMF, which has basically funded the infrastructure in South America. And because of their ability now to surpass us--to compete with us using dollars that we have provided and we are not in a position to compete because of situations that we have in our own navigation systems, very frustrating I think for everyone in agriculture today.

General Flowers. Yes, sir. I think you point up a great thing that we are doing our best to take into consideration in this study. One of the things that became very controversial as we were conducting the original study was the inability to include worldwide markets and macroeconomics in a look at this project, and we are attempting to do that as we move forward.

One thing we are doing is hosting an economic summit on river economics next month where we are trying to bring together some of the best in the business to review current models, et cetera, to try and figure out the best ones to use for making projections into the future. So as you are aware, what we attempt to do when we are doing large projects like this is we have to predict 50 years into the future what the economic outcome is going to be, and that is very difficult.

Mr. Latham. Could you provide us with information about that meeting, where it is and what----

General Flowers. We would be happy to.

Mr. Latham. Does that complete your answer?

General Flowers. Yes, sir.

Mr. Hobson. Mr. Doolittle.

Mr. Doolittle. Thank you, Mr. Secretary, and ladies and gentlemen, welcome. I have a couple of questions that may perhaps be more in the direct purview of General Davis, and maybe he will decide he will want to submit this for the record but I would like to ask. One pertains to the Yuba River Basin project. This project is a flood control project near Marysville, California, and is one that I am particularly interested in moving forward. Both Congress and the California State legislature have authorized this project. The State and local cost share is ready and Congress recently provided the Corps with a half million dollars in fiscal year 2003 construction funds.

My question is if Congress should appropriate \$1.5 million in fiscal year 2004 construction funds for this project, could the Corps utilize these funds and begin construction this

calendar year?

General Davis. Right now we are planning to complete the design in March 2004 and can start construction shortly thereafter.

General Griffin. We can use that 1.5 million in 2004.

Mr. Doolittle. And when do you think this project might be completed?

General Davis. I have to get back to you.

General Griffin. Start it in 2005. Completion date we will have to answer it. If funding works out and we get all the land easements and rights-of-way, we are looking at a 2005 start right now.

Mr. Doolittle. Okay. In reviewing your fiscal year 2004 budget I see the estimated cost of the Fulsom Dam modification project has risen by another \$20 million to a total estimated cost \$214.7 million. In that \$20 million increase is \$8 million for price escalation and construction, \$5 million for design changes and \$7 million for other estimated adjustments? And I guess I would like to ask if you could explain why these costs have risen so much in 1 year.

General Davis. Sir, I know you have been very involved with your concerns on Fulsom Dam and the costs on Fulsom Dam, and we are as well. We have actually brought in--in consultation with you and your office, we brought in an outside firm to take a look at our costs and to do a review, and I don't have the specifics yet of the response to that study, but I will certainly either personally get with you or have my Sacramento DE do that.

Mr. Doolittle. I think you are referring to the study on the Fulsom Race. I realize these projects are certainly interrelated to some degree, but this is with reference to modifications and I understand you may not be prepared at this time to get into the specifics of that.

General Davis. We are also doing an internal look at our own estimates and our own design costs and at the same time as we look at the race, we are doing that for the mods as well.

Mr. Doolittle. Two other questions: One would be do you feel the current estimate is going to be an accurate final estimate of the total costs?

General Davis. I think so, sir. Taking both our best estimators and have taken an outside agency to review our work and to check our figures.

Mr. Doolittle. What is the project completion time frame for the Fulsom Dam modifications, which I understand by necessity must precede the racing of the Fulsom Dam?

General Davis. I have to take that one for the record, please.

Mr. Doolittle. Mr. Chairman, do I have a moment or two left?

Mr. Hobson. Yes.

Mr. Doolittle. I would like to--and this is a more generalized--still with General Davis. Dealing with restoration of the abandoned mine sites of the RAMS program, which is a new program within the Corps to provide environmental restoration at abandoned mine sites known as RAMS, and this process is a nontraditional stakeholder driven program that positions the Corps to act not as the lead but indeed as an equal partner at

most abandoned mine sites, while it supports activities and priorities set by Federal, State and other stakeholders, it is my understanding that \$5 million was provided due to the efforts of Congressman Gibbons and Congressman Young of Alaska to get the initial funding going. This is provided in 2001. And with a small amount of funding, the RAMS program has initiated work in over 60 projects with over 20 different State and Federal stakeholders in 10 States, including Nevada, Alaska, California, Montana, New Mexico and Idaho. I understand with limited funding it has been successful and highly responsive to the States and the other Federal agencies. My questions are, could you give me a status of this program, how you feel it is working?

General Davis. Yes, sir. As you mentioned, it has been a very successful program that has covered a lot of actions, a lot of States and we have reached the funding limit that was originally authorized for RAMS. In order to continue that work we would have to have a new authorization and an additional appropriation.

Mr. Doolittle. And without the expanded authority and additional appropriations then are you saying the RAMS program would not be continued into fiscal year 2004?

General Davis. Yes, sir.

Mr. Doolittle. Would not be?

General Davis. That is correct.

Mr. Doolittle. Is it safe to assume that the Corps' current Director for Civil Works and Director for Military Programs do support the RAMS program?

General Davis. I hate to answer for my superiors on that one, sir.

General Flowers. It has been a successful program.

Mr. Hobson. So then you would support it?

General Flowers. Sir, if we were directed, we would definitely support it.

Mr. Doolittle. Are you asking for support?

Mr. Hobson. I think the gentleman's time has expired.

Mr. Visclosky.

Mr. Visclosky. Thank you, Mr. Chairman. Mr. Secretary, first of all, I would congratulate you on your service and your comportment. You have come in at a very difficult time for the Corps. I think you have done the best job possible under very difficult circumstances. The fact is dealing with Corps personnel on a daily basis I feel you have the finest servants of the United States of America under your charge and am very frustrated about our collective inability to get a very positive message out about the Corps' doing, as I described it in the past, God's work. You do flood control projects and I have an active flood control project in the First Congressional District of Indiana. Some people might consider that Pete Visclosky bringing home pork. I would point out to anybody who would that the last time the Little Calumet River flooded somebody lost their life. I would point out that there is an active harbor dredging program in the First Congressional District. It is necessary for commercial purposes.

Mr. Latham expressed his frustration. I would express my anger not at any of you, not at the Corps, but at what I consider the bipartisan failure of the administration since I

have come to Congress to recognize that we are losing in the international arena partially--there are many factors involved here--but because of our lack of investment in our economic infrastructure to make this thing go. That is not a waste of money. It is not a waste of money when that harbor also is one of the most toxic hot spots on the Great Lakes and you are trying to improve people's health and safety in the communities I represent.

And again, this is replicated across this country. You are doing environmental restoration in the State of Florida the last time I looked. I bet there are multiple States you are doing environmental restoration. And despite people's, if you would, impression of the Corps' worst instincts, and that is they don't care at all what happens to the environment, that is categorically not true. People have been critical of beach nourishment on the floor of the House of Representatives. Beach nourishment in front of Mount Baldy, which is the highest and last major topographical feature on the Lake Michigan shoreline in the State of Indiana, is there today because of what the Army Corps did.

A number of Members for the time I have been here have quipped about the pall that has been cast over this hearing by the Office of Management and Budget, that some people who were here previously aren't here now. That makes me angry because the people on this subcommittee represent an equal, coequal branch of the Federal Government under the United States Constitution and we have an obligation, let alone a right, to ask any one of you anything we want about your budget and to get truthful answers from you and not to have to put you on the spot and be concerned about getting someone fired. I am angry about that. I respect General Flowers' courage for talking about national water policy.

We are in a conflict in the Middle East today for a number of reasons, but obviously oil is an element of that conflict. Over the next 100 years I think my sons are going to be much more worried about the water, either having to drink it in the first place or the quality of it, if they can get their hands on it. I represent Lake County, Indiana, which is Lake County, Indiana because it is on Lake Michigan. I have communities in Lake County, Indiana on Lake Michigan, which is part of the largest body of fresh water on the planet Earth that, one, have no access to water because they happen to be on another divide with the Mississippi Valley watershed. They can't stick a well in their backyard and get water. And other places that can can't get good water. And the General has the courage to talk about what we should be thinking about, a national water policy. Mr. Edwards talked about, listen, you are \$400 million short--and I am not blaming here. I have the highest respect for you. That is an abject economic failure and coupled with those types of decisions, again under administrations of both political parties year in and year out, now lead us to a situation where our critical backlog is over \$900 million and it gets worse every year.

I could ask you questions and I will for the record about preconstruction engineering and design. Last year we had 95 projects. This year we have 19. Well, what happened? We don't have enough money. You referenced several times, well, we have

a lot of responsibilities here but there are other things on the agenda like the global war on terrorism. Last time I looked, this body gave you 108 million bucks for security as part of homeland security and part on the war on terrorism and you weren't allowed to spend it by the Office of Management and Budget. Now that makes me angry because the whole issue of safety of dams, safety of water supplies, safety in harbor, everybody is talking about it every day. Where is the money? It ain't here. Where is it? What happened to it? And again I am not talking about anybody here, but I am an angry guy. And I think that this is just wrong and I just hope somebody wakes up some day on economic infrastructure, and it is this subcommittee's responsibility, the commercial losses we are facing every day because we are not adequately funded and the safety and the jeopardy we are putting constituents in because we are not adequately funding.

Mr. Chairman, now that I got that off my chest, I do have a question or two, and one is on the Great Lakes Navigation Study. Last year General Hawkins indicated that he expected the negotiations on the general scope of work for the feasibility study would commence within the next several months with the St. Lawrence Seaway Management Corporation and St. Lawrence Seaway Development Corporation as well as bi-national navigation interests. The 2004 justification material, however, indicates that the 2004 funding will be used to continue the ongoing reconnaissance phase. Could I ask what the status is on that?

General Griffin. On the navigation study itself, as you know, we do have to have the Canadians as partners on this but we are working very hard with the Department of Transportation now to sign an agreement where we can begin the detailed scope of that project. There is no problem with it. It will happen. Everybody is on board with it, and we need to work through the process to get a partnering agreement with the Canadians and then we can move forward with that.

Mr. Visclosky. I do have a large number of questions and in the interest of time because I have gone on here, I will submit those. And one in particular I am submitting on behalf of myself as well as Mr. Rothman, a member of the committee, regarding a project in Hackensack Meadows, New Jersey and would attach special importance to that, too.

Mr. Hobson. Let me read something to all of you. This is a quote. ``I am firmly convinced that but for the existence of the Corps of Engineers' peacetime organization and its resources of men, methods, training and supply and its close association with the military through the years, the history of the specific area in World War II would have been written more in blood than in achievement.'' That was General Dwight Eisenhower, Chief of Staff, in a hearing before the Committee on Armed Services on H.R. 3830 in 1947, which is quite a tribute to all of you, and I am sure it is true today.

I have got a couple of things that I would like to ask and some of them are going to be strange to all of you but just bear with me. How many people here are from the Corps of Engineers? How many are civil engineers of that group? I am glad to see that. I get people who come to see me, and once I had an Air Force guy come to see me and I thought he was an

engineer but he turned out to be a lawyer. And it didn't go very well. So that is good. Maybe you can't answer this, but I am concerned about the fact that you are not getting--this \$108 million is only symptomatic of something. What I am concerned about is in the supplemental which we are doing for national defense and a lot of security types of things, I don't know that you people are in there. And I am concerned also that in homeland defense, you are not getting the money to do the things on the rivers and the waterways in dollars that should be adding to this budget, which we would all agree we don't like. So I want to figure--I think we all need to figure out how we talk to OMB--and I don't know if anybody knows how to do that, but maybe they do, to get an understanding of the exposure that this country is in, not only its economic achievements but in its ability to defend its rivers and harbors so that not only just commercially but from a national defense standpoint, because let me say that these guys mobilized out of Fort Campbell and they went down to a port. People are mobilizing out of places and there are ships coming in and taking things from ports here to support those troops. Those are, in my opinion, active duty stations today. Those are not peacetime ports anymore. There should be money being funded for a number of bills, not just this bill, but out of the Defense bill, out of Homeland Defense to do this work. You should be coordinating it, but there should be money there. We as a committee here, and I just talked to Mr. Latham here, urge you to talk among yourselves to figure out and talk to these chairmen and try to talk to OMB and say this is a critical need and not something to play games with. And I suggest people will look at it and say, well, this is at the Port of Louisiana or down someplace in Alabama and it is not really in the conflict. It is. It is in the conflict, and it is something that I think we need to look at. You probably share that, but I want to say it here that all the people that are taking notes all over are taking notes that this is going to be a focus, and I am going to talk to Hal Rogers. I am going to talk to the big chairman and see, but I need numbers and we need the facts. We don't want to go to him and say money, but we need facts and figures of what our responsibility should be in this committee, but also what should be the responsibility of these other committees. And this is one of the things we all have to figure out as we move through this period of change and how we look at appropriations and things of this sort, kind of like what you are going through in the BRAC thing, to make sure we don't duplicate things but we get them done in the right direction.

Which leads me to a question. General Flowers, in your remarks on transformation it sounds like you are amenable to listen to everyone who wants to give you an opinion on the future direction of the Corps, but you should be in the best position to see the whole playing field as it is. What is your opinion of what the Corps can do and what the Corps must not do in order to make sure that you keep that trust and confidence that some people have said is not there but I think many of us say is there, and what kind of advice are you getting from your staff and others?

General Flowers. Thank you, Mr. Chairman. I think, as I mentioned, I have talked to a lot of people and we listened to

a lot of great ideas and I think having a discussion about transformation and the potential for having in an authorization bill some opportunities for the Corps to be a more responsive organization is something we ought to focus on. For example, I think as I have testified before, the Corps is not afraid of outside review or peer review. What I would caution, though, is it ought to be a review, if and when it is done, that doesn't add significant time and expense to an already lengthy and expensive process. So we would look for ways to be as efficient and as timely as we could with our service.

The second thing is a review of principles and guidelines, and that would have to be undertaken in concert with other agencies because this is a multi-agency principles and guidelines. But they are about 20 years old now and I think it may be time for us to review those.

Mr. Hobson. Is there any place for an independent review or how do you review that?

General Flowers. In this budget we have asked for \$3 million to fund some independent review. We have employed independent review on some of our projects already. We will employ independent review on the Upper Mississippi Navigation Study, on the Everglades, because those projects are we think controversial enough that we welcome our funding up front, the ability to have our work checked as we perform it. But I think there is potential for having concurrent review by a group that is independent of Corps employees and we will experiment with that somewhat in fiscal year 2004 with the \$3 million that is requested in this budget. And we think--we will take a look at about six or seven projects with that. We haven't selected those projects yet, but if the money is appropriated, we will and be prepared to report back on our lessons learned as we go through that.

Mr. Hobson. One I want to talk about here, and I am going to take a look at this over the break, is the--in the transformation is what you are doing in the Florida Everglades and could you tell us a little bit about this project, your goals, and explain how this is an example of the Corps becoming a different organization, which I happen to think is a great project to maintain for the future of this country, along with other waterways that Pete was talking about? But this is one we probably should have gotten in earlier, but did you want to explain that.

General Flowers. Yes, sir. I think whenever the Nation has had a tough job that was kind of difficult to see how you would get it done, they have been able to turn to the Corps of Engineers and we have come through. A couple of examples would be the building of the Space Center at Cape Canaveral. When the President made his announcement in 1961 we were going to be on the Moon at the end of the decade, no one knew how we were going to get there, but we knew we would need some sort of a launch platform and the Corps was put to work on it right away without anybody knowing what the launch vehicles might look like. And we are doing the same thing with the Everglades. It is a 30-year project to restore a very valuable ecosystem. We are at the front end of a very open and collaborative process bringing all of the interested parties to the table, Dialog Inc., on how best to make this happen. As you are aware, we

went in beginning in about 1947 with direction from Congress to drain the swamp. We did that. It created quite a bit of development in eastern--southeast Florida. Now we have been directed to restore the Everglades and provide flood protection still for those people in southeast Florida, and it is a daunting task. But we will be able to pull this off. We are pushing science and engineering as we have on other projects that have been entrusted in us, and I am confident we will be able to do this. When this project is completed, you will have a healthy ecosystem that replicates the ecosystem that existed prior to the 1940s that still provides flood protection for the people of southeast Florida.

Mr. Hobson. Thank you. We are going to have two votes here. I just want to say one other thing and this has nothing to do with you guys, but I read the rebuilding and you got some people on the rebuilding and I want to send some messages on this and I think a lot of people hopefully share what I am going to say here. But I hope we do give a lot of coalition contracts to--or contracts to coalition members and that we don't give contracts to people who have been openly and notoriously adverse to--and have helped probably in my opinion delay and cause more of our young people to go into harm's way for a longer time than would have happened; namely, a country I served in at one time and a couple of other countries who have not been helpful in the protection of our troops while they have been there. And I think it is outrageous if AID and you got a guy sitting there watching it. If anything happens we are going to start giving contracts out to these people, this Congress I think will want to know. This is not because we want to make money out of this deal, but the people who have been nonsupportive of our troops and who made this conflict more difficult should not be, in my opinion and this Congress's opinion, rewarded for that type of activity and they should not get the benefit of these taxpayers' dollars, a lot of which is going to go into this rebuilding. And so I am really upset when I read about this sort of thing and the demands being made by a certain embassy that they be included. Give me a break. I may go back to some of the Traficant stuff by saying beam me up. But, you know, it is frustrating and I want to say this. I share the ranking member's frustrations about water quality and some of the spots that we have got. And I think some of the things we need to do is get some refocus on what you all do, and we are going to look at that jointly from this committee standpoint together on this.

We have got two votes. I don't want to hold these people. They have things they have got to do. If people have questions for the record, we will accept those today, but I want to make that admonishment back to the people at OMB that we need these answers back. I am not going to embarrass you and have you stand up, but--let me tell you I will in the future. If we don't get a response to these in a timely fashion, I will do some things that I would rather not do. Thank you very much for the hearing.

